

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
SIERRA LAKES COUNTY WATER DISTRICT**

Date: Friday November 12, 2021 / **Time:** 6:00 p.m. / **Place:** 7305 Short Road, Serene Lakes, CA

The meeting was teleconferenced as provided by Governor Newsom’s Executive Order N-25-20 (“Executive Order”), declared on March 12, 2020. The Executive Order temporarily granted state and local agencies certain powers to aid in the implementation of social distancing measures recommended by state and local public health officials that suspended certain Brown Act requirements.

I. Open Meeting:

Roll Call: No Directors were in attendance at the Sierra Lakes Boardroom

Directors in attendance by teleconference:

Director Dan Stockton
Director Karen Heald
Director Jon Harvey
Director Jennifer Jackson

Staff members present: Anna Nickerson, Financial Consultant

Staff present by phone: Paul Schultz P.E. Inc., General Manager
Jeffrey Mitchell, District Counsel
Patrick Baird, Utility Operator

Guests present by Zoom: Dennis Fisco
Dick Simpson
Shandon Lloyd
Toby Bielawski
Bob Gudz

Minute Recorder: Anna Nickerson, Financial Consultant

II. Public Forum: An opportunity for members of the public to address the Board on items that were not on the agenda. Director Lindquist joined the meeting briefly to formally announce his resignation. He said he appreciated the opportunity to serve and that he really enjoyed working with his colleagues. He also said he was proud of the many accomplishments during his time on the Board and thanked the Board and the community for the opportunity to serve. He also thanked Mrs. Nickerson for her work and, in honor of Veteran’s Day, Mr. Mitchell for his service in the Navy and to all who have served. Director Stockton thanked him for his work on the Board and was sure all the other board members appreciated his service.

III. Approve Agenda: The agenda was presented to the Board for approval. Director Jackson asked to add an item to the agenda. She said she thought they were going to talk about the Water Rate Study. Mr. Mitchell said items could not be added to the agenda. Director Jackson then said, in referenced to the previous item for things not on the agenda, she met with Director Lindquist and he passed over information to her, that she had done a little research on but there was much more to do. She said they discussed the HDR Rate Study Contract, that was not on the agenda, and agreed that the study should be put off until the situation with Mr. Schultz was resolved. Mr. Mitchell said there was an item on the Agenda, Upcoming Meter Rates, where there could be a discussion, it just wasn't a separate item on the agenda.

A motion was made by Director Harvey and seconded by Director Jackson to approve the agenda. The motion passed by a unanimous rollcall vote: Directors Stockton, Heald, Harvey and Jackson.

IV. Public Comments: An opportunity for the Board to consider comments received from the public after the agenda was posted, regarding items on the agenda. No comments were received.

VI. PUBLIC HEARING: A Public Hearing was held to adopt Ordinance 2021-02 - Amending the District Code Concerning Use of District Property was presented to the Board for consideration and possible action. It was noted that the adoption date on the draft Ordinance was incorrect and would be changed to November 12, 2021. There were no comments from the public.

A motion was made by Director Heald and seconded by Director Harvey to approve the Lake Management Place as presented with the date change. The motion passed by a unanimous rollcall vote: Directors Stockton, Heald, Harvey and Jackson.

VII. Operations: Paul Schultz P.E. Inc., General Manager, presented his operations report to the Board for consideration and possible action. Mr. Schultz reported the following:

- Donner Summit PUD (DSPUD) switched from spray irrigation to discharging into the river until snow making could begin.
- The Policies and Procedures were in final review. The final draft would be available to Board Members after the December meeting and for public review after the January Board Meeting.
- The arsenic filtration system was installed and was being tested. Once testing was complete Well 01 would be available for use.
- Mr. Schultz successfully negotiated the curtailment to be lifted from the District's water supply. However, that did not mean it could not be imposed sometime in the future
- Capital improvements on the District's sewer system were progressing and should be ready to go to bid in the spring. He also said the water treatment improvements were nearly complete and would be finished in the next couple of weeks.

- The meter pit project was extended to the end of the fiscal year due to supply chain issues.
- HDR's proposal for metered rates was not being discussed. However, he met with Director Stockton and Mrs. Nickerson to discuss future revenue requirements and they agreed that a better understanding of future requirements was needed before engaging the services of HDR either partially or completely.
- He found that getting good internet service to the District was proving to be difficult. He was looking into alternatives to One Ring but service had not improved. He was also working with Suddenlink to get a buried cable to the District's building as another alternative.
- Field work for the Water Quality Assessment was concluded for the season. Lab activities would begin. He said he met with some researchers from UNR and the Desert Research Institute about incorporating best management practices (bmp) to help control sedimentations and contaminants from getting into the lakes
- He was contacted by a graduate student from Oregon State University who was looking to do a research project, in the area, pertaining to fisheries and the impacts of wildfires on water supplies. The only cost to the District would be a few hours of his time. He also said a subcommittee would be appointed to see how the program could be made more effective.
- There were no sanitary sewer overflows for the month of October.
- Petroleum storage tank project was progressing. All above ground storage tank owners had contacted the District and all but one inspections were complete.
- The rain event on October 24th resulted in a significant increase in I&I. He said it looked like the I&I was a combination of about 74,000 gallons per day; about 50,000 gallons per day from elevated ground water and about 25,000 gallons per day from surface water entering manholes other sewer system openings. He also said that even though the District's I&I was way up, the contribution to the flows through the wastewater plant was down because Donner Summit PUD's I&I was up even more.
- Brian Lundgren, a longtime seasonal employee of the District, joined as a fulltime employee at the beginning of November.

Director Jackson said she was looking at the third bullet point that said water should solely be used for minimum health and safety use and wasn't sure if lawn water was included. Mr. Schultz said the state was going to limit outdoor use and felt the State would want the District to eliminate outdoor use in order to maintain the curtailment. Director Jackson asked if there was some kind of notification to let customers know. Mr. Schultz said he would send something out in the Spring.

Director Jackson said she noticed how much water was being used to back flush the plant and wondered if there was a way for that water to be provided for non-potable use. Mr. Schultz said he could look into the issue but it would require an adjustment to the District's permit and Director Stockton said it would require double plumbing which wouldn't be easy. Director Jackson said some communities provide places where people could fill up containers to water their lawn.

Director Heald said, in regard to the Policies and Procedures (Policies), she, Mr. Mitchell, Mr. Booher, Mr. Schultz and Mrs. Nickerson had a meeting, made some changes to the Policies and completed all of the Policies with the exception of the Injury and Illness, Procurement and Reserve Policies. She said she believed the group decided to send the completed policies out to the Board in November to give them time to review and provide comments before the December meeting. In December, the Board's comments would be reviewed, incorporated and the finished Policies would be presented at the January meeting giving the public an opportunity to provide comments.

Director Harvey said he had one correction for the record. In the last paragraph of Mr. Schultz's Operations Report, it appeared that the September and October numbers were switched. Mr. Schultz confirmed that the numbers were switched.

Director Harvey said Mr. Schultz's Operations Report really showed how much goes on in the District every month and the many moving parts. He thanked Mr. Schultz for the work.

VIII. Consent Items Calendar: The Consent Items Calendar was presented to the Board for action. The Consent Items Calendar included the minutes from the October 8, 2021, Regular Meeting; October 2021 Check Register; financial reports for the month ending October 31, 2021; and Disbursements for Board Approval.

Director Harvey said the discussion about changing the monthly meeting date was missing from the agenda and hoped that it would be on the December agenda. Mr. Simpson said the minutes didn't reflect the short discussion that took place after Director Stockton read Mr. Schultz's resignation letter. The discussion was about whether or not Mr. Schultz was really resigning or if he wanted to get the job description changed. He felt a short summary of the discussion would provide context and asked that the minutes be changed to reflect the comments. Director Jackson noted a typo on the Disbursements List; the date of Mr. Schultz's billing should have been October, not September.

Before the vote, Director Harvey said he didn't understand the need for the added paragraph because the comments were already included in the last paragraph on page 23 of the board packet. He read the following, "Mr. Schultz said he didn't want to leave the District but he would like to retool the position to be more manageable. Currently the position was not workable. He said he was in charge of everything and had nowhere to delegate anything..."

A motion was made by Director Harvey and seconded by Director Jackson to approve the Consent Items Calendar with Director Jackson's correction. The motion passed by a rollcall vote: Ayes: Directors Stockton, Heald, Harvey and Jackson.

IX. Old Business: There was no old business.

X. New Business:

A. The Board considered how to fill the Board Vacancy resulting from Director Lindquist's resignation that was effective as of the date of the meeting. Mr. Mitchell said the

Board had 60 days to either fill the position by appointment or call for a Special Election. The Board decided to fill the position by appointment by soliciting applications from the community.

Director Heald said she felt the Board should follow the same procedure as last time when they appointed Director Jackson. She also thought the previous applicants should be contacted to see if they wanted their prior application resubmitted.

Mr. Simpson asked if there was a way to let the public know who submitted applications for the position. He said during an election, names were posted on Placer County Elections website but with appointments, the information was not posted on the District's website.

Director Harvey said he was in favor of appointing a replacement but wasn't sure if previous applicants should be contacted.

Director Jackson said she agreed with Mr. Simpson that the completed applications should be made available and included in the board packet. Director Heald confirmed that the completed applications were included in the board packet for the previous appointment. Mr. Simpson said since board packet wouldn't be published until after the deadline for applications, the public wouldn't know who applied until the board packet was published.

- The Board agreed to fill the vacancy by appointment using the draft Notice of Vacancy and Application Form included in the board packet
- Post the names and applications on the website
- Send applications to board members as received
- Contact previous applicants giving them the opportunity to resubmit their prior applications.

B. The Board was presented with a request for refund of late fees. Mrs. Nickerson said the account was delinquent with two years of fees outstanding, all fees were recently paid but the customer requested a refund for the fees. At Director Heald's request, Mrs. Nickerson said, in the past, there had been a lot of requests for waivers but only one was granted; the person lost their home and all their belonging in the Paradise fire. She also said, printed on the back of every annual invoice, were detail of the process for requesting an amortization of fees over 12 months; no request was received.

A motion was made by Director Heald and seconded by Director Jackson. to deny the request for refund. The motion passed by a unanimous rollcall vote: Directors Stockton, Heald, Harvey and Jackson.

The District's Annual Audit for Fiscal Year ending June 30, 2021, was presented to the Board for consideration and possible action. Mrs. Nickerson said there were no exceptions or material misstatements noted in the audit. The Board was asked to accept the audit as presented.

A motion was made by Director Harvey and seconded by Director Jackson to accept the audit report. The motion passed by a unanimous rollcall vote: Directors Stockton, Heald, Harvey and Jackson.

C. Mrs. Nickerson said the District has had a loan with the State Water Resource Control Board for many years with quarterly payments of \$25,000 each transferred into the District's fiduciary account at California Bank and Trust. The funds were for the repayment of the loan and could not be used for other District uses. She said with an additional \$8,000.00 transfer, there would be enough money in the bank account to payoff the loan two years early, saving the District approximately \$8,000 in interest. She was requesting Board approval to transfer an additional \$8,000 and initiate a final loan payment.

A motion was made by Director Harvey and seconded by Director Jackson to accept the request to pay off the loan. The motion passed by a unanimous rollcall vote: Directors Stockton, Heald, Harvey and Jackson.

XI. Administration:

A. There were no Follow-up Items from the October 8, 2021, Board meeting.

Mr. Schultz said, for a future Board Meeting, he would investigate the use of recycled water from the District's backwash. The item would be added to the Action Items list.

B. A Status of Action Items list was presented to the Board for consideration and possible action.

1. AMR Data Collection – Mr. Schultz said there has been some problems with endpoints due to poor cellular reception. Those endpoints were being replaced with Verizon endpoints.
2. District's Policies and Procedures – This item was discussed earlier in the meeting. The Policies and Procedures would be sent out to the Board after the board meeting and available to the public in January.
3. District's ownership of the Dam – There was no activity on this item during the month of October.
4. Upcoming Metered Rates – The committee of Director Stockton, Mr. Schultz and Mrs. Nickerson would continue to meet with a possible report at the December meeting. At that time, the Board could decide what portions of the HDR proposal the Board wanted to move forward with and the portions to perform inhouse.
5. Develop recommended method for providing customer access to their personal water use data - Director Jackson said Director Lindquist provided her with a status report and his files. She said he also provided information about the water rate study and how to look at water use data through the current system.
6. Retooling the General Manager Position - Mr. Schutz said he met with Directors Heald and Harvey. Director Harvey said they met once by phone and once in person, they discussed possible ways to restructure the position and offload some of the responsibilities. He said one alternative that the committee was considering was hiring someone to handle "as necessary" engineering functions. However, they were still in the exploration stage and anticipated having a more detailed presentation in December.

Director Harvey said he has had questions from members of the community regarding meters and metered rates. The questions pertained to when meters would be installed and when fees would convert to metered rates. He also said he has asked people what their expectations were regarding metered rates and learned that most people didn't know much about it and others were jumping to conclusion about the effect on rates. He thought it would be a good idea to provide the community with a framework of the process sooner rather than later. He also said with everything the District does, besides providing clean water and reliable sewage, it would be a good idea to get the human infrastructure in place as part of the rate study to be sure it was sustainable long term.

Mr. Simpson said it was his understanding that Mr. Schultz resigned and asked if the District would still have a General Manager in December. Mr. Schultz said he rescinded his resignation for now and would continue working with the Directors on retooling the position. He said he would stay on indefinitely until the work was complete.

Director Jackson said it might be good to look at other similar communities as part of the water rate study. Mr. Schultz said HDR just recently finished a plan for Truckee Donner PUD and had worked with Tahoe City, North Tahoe PUD and Georgetown Divide PUD. All with similar challenges.

Director Jackson said she thought it would be a good idea for her to meet with Mr. Schultz to get an idea about his timeline for developing metered rates and comparing that to the information provided by Director Lindquist. Mr. Schultz said she could be added to the rate study committee and Director Stockton agreed. Mr. Schultz said he would setup a meeting with the committee.

Director Harvey said he thought it would be a good idea to have something on the District's website regarding meters and metered rates. He thought it could be a one page document with references to State requirements and the District's anticipated timeline. Director Stockton thought it was a great idea. Mr. Schultz agreed and said he could work with Director Harvey to put something together. Mr. Mitchell said most consultants probably already have a one or two-page summary available regarding metering obligations. He said he thought it might be good to inquire before writing something. Mr. Simpson said it might be a good idea to have a schedule before posting information on the website. Director Jackson said the timeline was developed before the discussion about retooling Mr. Schultz's position and didn't incorporate having more staff. Director Lindquist had suggested the new information should be incorporated before moving forward with the rate study.

XII. The Board discussed the new "Monthly Decision to Meet Telephonically". Mr. Schultz said this was a monthly decision based on current Governor orders and health and safety considerations and in accordance to the information provided by Mr. Mitchell's office that was included in the board packet.

Director Stockton said he would like to return to in person meetings. He said he understood the requirements for social distancing and that there may be members that were not comfortable meeting in person yet.

Mr. Mitchell said, if a Director was comfortable in attending the meeting in person, they could do so even if the Board voted to continue meeting telephonically. He also suggested that each board member attending in person could have their own computer. Mr. Schultz said the bandwidth would not support multiple computers.

Mr. Schultz said the internet bandwidth would not support video right away but hoped it could be available by January. Otherwise, anyone attending from the boardroom would not be seen on the video. Mr. Mitchell said a motion was needed stating that the Board reconsidered the state of emergency and conditions warranted the continuation of teleconferencing rules.

Before the vote, Director Heald said, although she agreed with the current decision, her productivity was better when meeting in person.

A motion was made by Director Jackson and seconded by Director Heald to continue teleconferencing rules for December. The motion passed by a unanimous rollcall vote: Directors Stockton, Heald, Harvey and Jackson.

Director Stockton said there were three members of the public in attendance and asked if they wanted to make any comments.

Shandon Lloyd said she was on the committee for the acquisition of the lake bottom parcel from the land trust and had a background in water resources. She also said she was interested in submitting an application for the board vacancy.

Bob Gudz said holding zoom meetings made it possible for him to attend and that it was really eye opening to see how much goes on at the meetings and in the District. He also said he was thankful that the District had such a wonderful Board.

Patrick Baird, District employee, said there was a lot going on in the District in regard to projects. He said staff has been working really hard to get meters installed which has helped in finding leaks. He also said he was really excited about the upcoming projects that Mr. Schultz was working on.

XIII. Adjournment

A motion was made by Director Jackson and seconded by Director Harvey to adjourn the meeting. The motion passed by a unanimous rollcall vote: Directors Stockton, Heald, Harvey and Jackson.

Director Harvey said he may not be able to attend the December meeting; he may have to travel out of town for a memorial service. Mr. Schultz said that might be a problem because Director Heald already said she would not be at the December meeting. Mr. Mitchell said, if neither one could attend then the Board would still need to schedule a meeting within 60 days to appoint a new director. No decision was made about the December meeting.

The minutes were approved at the Special Meeting held on December 15, 2021, as part of the Consent Items Calendar. A motion was made by Director Heald and seconded by Director Jackson to approve the Consent Items Calendar. The motion passed by a unanimous rollcall vote.